Federal Communications Commission 445 12th Street, S.W. Washington, D.C. 20554

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DA 06-1900

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## DOMESTIC SECTION 214 APPLICATION FILED FOR THE TRANSFER OF CERTAIN ASSETS OF TIME WARNER CABLE INFORMATION SERVICES (TEXAS), L.P. TO COMCAST CORPORATION

#### STREAMLINED PLEADING CYCLE ESTABLISHED

WC Docket No. 06-167

Comments Due: October 4, 2006

Reply Comments Due: October 11, 2006

On August 22, 2006, Time Warner Cable Information Services (Texas), L.P. ("TWCIS") and Comcast Corporation ("Comcast") (collectively, "Applicants"), filed an application, pursuant to section 63.04 of the Commission's rules, 1 requesting authority to transfer certain assets from TWCIS to Comcast. 2

Applicants assert that this transaction is entitled to presumptive streamlined treatment under 63.03(b)(2)(i) of the Commission's rules because the proposed transaction will result in (i) Comcast having a market share in the interstate, interexchange market of substantially less than 10 percent; (ii) Comcast providing competitive telephone exchange or exchange access services, if at all, exclusively in geographic areas served by a dominant local exchange carrier that is not a party to the transaction and; (iii) neither of the Applicants being dominant with respect to any telecommunications service.<sup>3</sup>

TWCIS is a Delaware limited partnership that provides high speed private line transmission services to approximately 30 customers in the Houston, Texas area. Texas and Kansas City Cable Partners, L.P. ("TKCCP"), a Delaware limited partnership, owns a 34%

<sup>&</sup>lt;sup>1</sup> 47 C.F.R. §§ 63.03, 63.04; see 47 U.S.C. § 214.

<sup>&</sup>lt;sup>2</sup> On September 14, 2006, Applicants filed a supplement to their application. *See* Letter from Steven J. Horvitz and James W. Tomlinson, Cole, Raywid and Braverman, L.L.P., WC Docket No. 06-167 (filed Sept.14, 2006) (*September 14 Letter*).

<sup>&</sup>lt;sup>3</sup> 47 C.F.R. § 63.03(b)(2)(i).

ownership interest in TWCIS. The balance of the ownership interest in TWCIS is held by Time Warner Inc. ("Time Warner") and its wholly-owned, intermediate subsidiaries. Time Warner, a Delaware corporation, holds, through is subsidiaries, a 50% ownership interest in ("TKCCP"). TKCCP directly or indirectly holds cable systems in the Houston, southwest Texas, and Kansas City areas.

As part of the transaction, TWCIS will transfer the assets described below to a Comcast subsidiary. That subsidiary is Comcast Business Communications, LLC ("CBC"), a Pennsylvania limited liability company that provides long distance and/or data services to business customers in all 48 contiguous states. CBC is wholly-owned by Comcast Commercial Services Group Holdings, LLC, a Delaware limited liability corporation. Comcast Telephony Communications, LLC, a Delaware limited liability corporation. Comcast Telephony Communications, LLC, is wholly-owned by Comcast Holdings Corporation, a Pennsylvania corporation. Comcast, a publicly-traded Pennsylvania corporation, owns or controls 99.37% of the Class A Common and 98.95% of the Class A Special Common stock of Comcast Holdings Corporation. Comcast holds an indirect 50% ownership interest in TKCCP. No entity or individual directly or indirectly owns ten percent or more of the equity of Comcast. Brian L. Roberts, Comcast's Chairman and Chief Executive Officer and a U.S. citizen, is the beneficial owner of stock that represents 33 1/3% of the combined voting power of the two classes of Comcast's voting common stock. None of the foregoing Comcast entities offer domestic telecommunications services.

Comcast and Time Warner, through their subsidiaries, each hold a 50 percent ownership interest in TKCCP. The Limited Partnership Agreement between the companies provides for the dissolution of the partnership at the election of one of the partners and the distribution of TKCCP's Houston area assets to one partner and the Kansas City and southwest Texas assets to the other partner. Comcast initiated the dissolution process on July 3, 2006, and on August 1, 2006, Time Warner selected to retain the Kansas City and southwest Texas partnership assets. As a result of these selections, Comcast will be the 100% owner of the Houston area assets, and Time Warner will be the 100% owner of the Kansas City and southwest Texas assets. Specifically, Comcast will acquire Time Warner's 50% indirect ownership interest in the Houston-area assets of TKCCP, making Comcast the 100% indirect owner of the assets of TKCCP in the Houston area. TWCIS, Time Warner's Texas telecommunications carrier affiliate, will also transfer to Comcast certain interstate telecommunications accounts in the Houston, Texas area. TKCCP will assign its cable system and assets to its wholly-owned affiliate, Houston TKCCP Holdings, LLC.<sup>5</sup> Comcast TCP Holdings, Inc., a wholly-owned, indirect subsidiary of Comcast, will obtain ownership of Houston TKCCP Holdings, LLC. Houston TKCCP Holdings, LLC, will be a wholly-owned, indirect subsidiary of Comcast.

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<sup>&</sup>lt;sup>4</sup> For a detailed description of the Time Warner subsidiaries, *see September 14 Letter* at Exh. 1. None of these subsidiaries offer domestic telecommunications services.

<sup>&</sup>lt;sup>5</sup> Applicants assert that this is a *pro forma* transaction as defined in 47 U.S.C. § 63.24(d).

Applicants state that the proposed transaction serves the public interest, convenience, and necessity by ensuring continuity of service to TWCIS's Houston area customers and promoting competition in the domestic telecommunications services market. Applicants assert that TWCIS's Houston-area subscribers will benefit from the new opportunities they will be provided upon completion of the transaction.

#### **GENERAL INFORMATION**

The transfer of control identified herein has been found, upon initial review, to be acceptable for filing as a streamlined application. The Commission reserves the right to return any transfer of control application if, upon further examination, it is determined to be defective and not in conformance with the Commission's rules and policies. Pursuant to sections 1.415 and 1.419 of the Commission's rules, 47 CFR §§ 1.415, 1.419, interested parties may file **comments on or before October 4, 2006** and **reply comments on or before October 11, 2006**. Unless otherwise notified by the Commission, Applicants are permitted to transfer the control on the 31<sup>st</sup> day after the date of this notice. Comments may be filed using: (1) the Commission's Electronic Comment Filing System (ECFS), (2) the Federal Government's eRulemaking Portal, or (3) by filing paper copies. See Electronic Filing of Documents in Rulemaking Proceedings, 63 FR 24121 (1998).

- Electronic Filers: Comments may be filed electronically using the Internet by accessing the ECFS: <a href="http://www.fcc.gov/cgb/ecfs/">http://www.fcc.gov/cgb/ecfs/</a> or the Federal eRulemaking Portal: <a href="http://www.regulations.gov">http://www.regulations.gov</a>. Filers should follow the instructions provided on the website for submitting comments.
- For ECFS filers, if multiple docket or rulemaking numbers appear in the caption of this proceeding, filers must transmit one electronic copy of the comments for each docket or rulemaking number referenced in the caption. In completing the transmittal screen, filers should include their full name, U.S. Postal Service mailing address, and the applicable docket or rulemaking number. Parties may also submit an electronic comment by Internet e-mail. To get filing instructions, filers should send an e-mail to <a href="mailto:ecfs@fcc.gov">ecfs@fcc.gov</a>, and include the following words in the body of the message, "get form." A sample form and directions will be sent in response.
- Paper Filers: Parties who choose to file by paper must file an original and four copies of each filing. If more than one docket or rulemaking number appears in the caption of this proceeding, filers must submit two additional copies for each additional docket or rulemaking number.

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<sup>&</sup>lt;sup>6</sup> See 47 C.F.R. § 63.03(a).

<sup>&</sup>lt;sup>7</sup> Such authorization is conditioned upon receipt of any other necessary approvals from the Commission in connection with the proposed transaction.

Filings can be sent by hand or messenger delivery, by commercial overnight courier, or by first-class or overnight U.S. Postal Service mail (although we continue to experience delays in receiving U.S. Postal Service mail). All filings must be addressed to the Commission's Secretary, Office of the Secretary, Federal Communications Commission.

The Commission's contractor will receive hand-delivered or messenger-delivered paper filings for the Commission's Secretary at 236 Massachusetts Avenue, N.E., Suite 110, Washington, D.C. 20002. The filing hours at this location are 8:00 a.m. to 7:00 p.m. All hand deliveries must be held together with rubber bands or fasteners. Any envelopes must be disposed of <u>before</u> entering the building. Commercial overnight mail (other than U.S. Postal Service Express Mail and Priority Mail) must be sent to 9300 East Hampton Drive, Capitol Heights, MD 20743. U.S. Postal Service first-class, Express, and Priority mail should be addressed to 445 12th Street, S.W., Washington D.C. 20554.

People with Disabilities: To request materials in accessible formats for people with disabilities (braille, large print, electronic files, audio format), send an e-mail to <a href="fcc504@fcc.gov">fcc504@fcc.gov</a> or call the Consumer & Governmental Affairs Bureau at 202-418-0530 (voice), 202-418-0432 (tty).

# You may submit comments, identified by the above noted docket number, by any of the following methods:

- Federal eRulemaking Portal: <a href="http://www.regulations.gov">http://www.regulations.gov</a>. Follow the instructions for submitting comments.
- Federal Communications Commission's Web Site: <a href="http://www.fcc.gov/cgb/ecfs/">http://www.fcc.gov/cgb/ecfs/</a>. Follow the instructions for submitting comments.
- People with Disabilities: Contact the FCC to request reasonable accommodations (accessible format documents, sign language interpreters, CART, etc.) by e-mail: FCC504@fcc.gov or phone: 202-418-0530 or TTY: 202-418-0432.

### In addition, one copy of each pleading must be sent to each of the following:

- (1) The Commission's duplicating contractor, Best Copy and Printing, Inc., 445 12th Street, S.W., Room CY-B402, Washington, D.C. 20554, <a href="https://www.bcpiweb.com">www.bcpiweb.com</a>; phone: (202) 488-5300 fax: (202) 488-5563;
- (2) Cecilia Seppings, Competition Policy Division, Wireline Competition Bureau, 445 12th Street, S.W., Room 5-C230, Washington, D.C. 20554; email: <a href="mailto:cecilia.seppings@fcc.gov">cecilia.seppings@fcc.gov</a>;
- (3) Dennis Johnson, Competition Policy Division, Wireline Competition Bureau, 445 12th Street, S.W., Room 5-B155, Washington, D.C. 20554; e-mail: <a href="mailto:dennis.johnson@fcc.gov">dennis.johnson@fcc.gov</a>;
- (4) Susan O'Connell, Policy Division, International Bureau, 445 12th Street, S.W., Room 7-B544, Washington, D.C. 20554; email: susan.o'connell@fcc.gov; and

(5) Jim Bird, Office of General Counsel, 445 12th Street, S.W., Room 8-C824, Washington, D.C. 20554; e-mail: jim.bird@fcc.gov.

Filings and comments are also available for public inspection and copying during regular business hours at the FCC Reference Information Center, Portals II, 445 12th Street, S.W., Room CY-A257, Washington, D.C. 20554. They may also be purchased from the Commission's duplicating contractor, Best Copy and Printing, Inc., Portals II, 445 12th Street, S.W., Room CYB402, Washington, D.C. 20554, telephone: (202) 488-5300, fax: (202) 488-5563, or via e-mail www.bcpiweb.com.

For further information, please contact Cecilia Seppings at (202) 418-1588, or Dennis Johnson at (202) 418-0809.

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